

Fiscal Services Division
Legislative Services Agency
Fiscal Note

HF 604 – Veterans License Plate Fund (LSB 1881 YH)

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Fiscal Note Version – New

Requested by Representative Matt Windschitl

Description

House File 604 directs the Treasurer of State to credit special plate fees charged from the sale of letter-number designated or personalized National Guard, Pearl Harbor Veteran, Purple Heart, Armed Forces Retired, Bronze Star, and Silver Star motor vehicle registration plates to the Veterans License Fee Fund. Currently, the fees are deposited into the Road Use Tax Fund.

In addition, the Bill provides that the surviving spouse of a person who was issued one of the above-mentioned military plates may continue to apply for and use the plate subject to registration of the plate in the surviving spouse's name, and upon payment of the annual \$5 special plate fee and the annual vehicle registration fee. If the surviving spouse remarries, the special plates are to be exchanged for regular registration plates.

House File 604 also directs the Treasurer of State to credit the special plate fees charged for the issuance of Emergency Medical Services motor vehicle registration plates to the Emergency Medical Services Fund administered by the Department of Public Health. Currently, the fees are deposited into the Road Use Tax Fund.

House File 604 is effective upon enactment.

Background

- Under current law, no annual special plate fee is collected for Emergency Medical Services plates. The annual special plate fees for National Guard, Pearl Harbor Veteran, Purple Heart, Armed Forces Retired, Bronze Star, and Silver Star plates, are in addition to the annual vehicle registration fee. Those fees are as follows:
 - Initial Issuance (letter-number designated plate): \$25
 - Initial Issuance (personalized plate): \$50 (\$25 special plate fee, \$25 personalized fee)
 - Annual Renewal (letter-number designated plate): \$5
 - Annual Renewal (personalized plate): \$5
 - The fee for the initial issuance of a personalized plate is \$25 and the validation (annual) fee is \$5.
- The special plate fee charged for the Emergency Medical Services plate is \$25 for initial issuance, and is in addition to the annual vehicle registration fee. The plate is not available as a personalized plate.
- Other military plates currently issued and not mentioned in this Bill include Congressional Medal of Honor, Ex-Prisoner of War, Legion of Merit, Veterans, and Disabled Veteran.
- The special plate fees collected from the issuance or renewal of a Disabled Veteran plate are deposited into the Road Use Tax Fund. The special plate fees collected from Veterans plates are credited to the Veterans License Fee Fund, with the exception of personalized plate fees (\$25 for initial issuance and \$5 for annual renewal), which are deposited into the Road Use Tax Fund.
- No special plate fees are collected for Congressional Medal of Honor, Ex-Prisoner of War, and Legion of Merit plates; however, a \$15 vehicle registration fee is required annually. The

surviving spouse of a person who was issued one of these plates may continue to apply for and use the plate subject to registration of the plate in the surviving spouse's name, upon payment of the \$15 annual vehicle registration fee. If the surviving spouse remarries, the special plates are to be exchanged for regular registration plates.

Assumptions

- There are an estimated 4,000 special National Guard, Pearl Harbor Veteran, Purple Heart, Armed Forces Retired, Bronze Star, and Silver Star plates currently issued.
- There are an estimated 900 special Emergency Medical Services plates currently issued.
- In Calendar Year 2006, an estimated \$29,000 was collected from the initial issuance and renewal of letter-number designated and personalized National Guard, Purple Heart, Armed Forces Retired, Bronze Star, and Silver Star plates, and letter-number designated Pearl Harbor Veteran plates. The number of initial issuances of personalized Pearl Harbor Veteran plates is unknown.
- In Calendar Year 2006, an estimated \$2,200 was collected from the initial issuance of Emergency Medical Services plates.
- Of the \$50 fee collected from the initial issuance of personalized National Guard, Pearl Harbor Veteran, Purple Heart, Armed Forces Retired, Bronze Star, and Silver Star plates, the \$25 special plate fee will be credited to the Veteran's License Fee Fund and the \$25 personalized fee will be deposited into the Road Use Tax Fund. All other special plate fees will be credited to the Veteran's License Fee Fund.
- The number of special Emergency Medical Services, National Guard, Pearl Harbor Veteran, Purple Heart, Armed Forces Retired, Bronze Star, and Silver Star plates that will be issued, renewed, or exchanged in subsequent years is unknown. In addition, the number of surviving spouses who continue to apply for and use the special plate subject to registration of the plate in the surviving spouse's name, and the number of spouses that remarry and exchange the special plates for regular plates are unknown. Therefore, the amount that will be collected from the special plate fees is unknown. For estimating purposes, it is assumed that the amount collected in FY 2008 and beyond will be the same amount that was collected in CY 2006.
- One-time programming costs to the DOT are estimated to be \$3,500, and would be paid from the Motor Vehicle Division's base budget, of which 96.0% is Road Use Tax Fund moneys and 4.0% Primary Road Fund moneys.

Fiscal Impact

The estimated fiscal impact of HF 604 is an increase of \$26,000 to the Veteran's License Fee Fund, an increase of \$2,000 to the Emergency Medical Services Fund, and a decrease of \$31,000 to the Road Use Tax Fund for FY 2008. For subsequent fiscal years, the estimated fiscal impact is an increase of \$26,000 to the Veteran's License Fee Fund, an increase of \$2,000 to the Emergency Medical Services Fund, and a decrease of \$28,000 to the Road Use Tax Fund.

Source

Department of Transportation

/s/ Holly M. Lyons

March 5, 2007

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
